

APPENDIX H

HOUSING POLICIES

The policies outlined in this Appendix H to the Consolidated Plan pertain to all capital funds administered by the Seattle Office of Housing (OH) unless otherwise noted. Please refer to the currently applicable 2002 Housing Levy Administrative and Financial Plan for additional policies governing the use of 2002 Housing Levy funds.

Affordable Rental Housing Policies

Rental Housing Priorities

The rental housing priorities described below indicate the types of rental housing the City is most interested in funding, but are not listed in priority order. Proposed projects not meeting one or more these priorities may still be considered for City funding.

PRIORITY: HOUSING FOR FAMILIES WITH CHILDREN

Particular interest:

- The area of greatest need based on 2000 Census special tabulation data provided by HUD is housing for extremely low-income families (0-30% of MI);
- Supportive transitional and permanent housing for families who are homeless, including projects participating in the Gates Foundation Sound Families Initiative.

Needs rationale:

- Over 5,000 extremely low-income families in Seattle have housing problems as defined by HUD, meaning they pay more than they can afford for rent and utilities (i.e., > 30% of their income), live in overcrowded conditions, or lack complete kitchen and plumbing facilities. Almost 60% of extremely low-income families pay more than one-half of their household income for rent and utilities.
- The October 2003 One Night Count found that 369 families with children were living in shelters or transitional housing.
- Preliminary findings from a recent evaluation of the Sound Families Initiative found positive outcomes for homeless families, with two-thirds moving on to stable housing, and slightly more than half with increased monthly income.

PRIORITY: HOUSING FOR SMALL HOUSEHOLDS

Particular interest:

- The area of greatest need among Seattle's small households is for housing for extremely low-income (0-30% of MI) single individuals;
- Permanent supportive housing projects serving people who are chronically homeless and/or disabled.

Needs rationale:

- In Seattle, over 10,000 extremely low-income singles (under the age of 62) and another 2,500 extremely low-income seniors who live alone or with others pay more than one-half of their income for rent and utilities.
- The Seattle-King County Health Care for the Homeless Network (HCHN) estimated that, in 2002, at least 4,900 single men and women in the downtown Seattle area met the definition of chronically homeless, meaning they had been homeless for a year or longer or had four or more episodes of homelessness in the past three years.
- Ninety-eight percent of persons who are homeless or who live in transitional housing report either having no source of income or having extremely low incomes through social security, unemployment insurance, or State general assistance.
- Most homeless persons suffer from one or more disabilities, such as mental illness, chemical or alcohol dependency, and/or chronic and acute medical conditions.
- National studies have documented the success of supportive housing models on multiple levels:
 - ✓ utilization of health services (decreases in emergency room visits, hospitalization, and emergency detoxification, and increases in preventive health care services);
 - ✓ employment status (increase in earned income and employment rates when employment services are provided in supportive housing, and decrease in dependence on entitlements);
 - ✓ treatment of mental illness (decreased symptoms of schizophrenia and depression); and
 - ✓ ending substance abuse (much higher success rates for people living in supportive housing).

PRIORITY: PRESERVATION OF SUBSIDIZED RENTAL HOUSING PROJECTS WITH EXPIRING AFFORDABILITY RESTRICTIONS

Particular interest:

- Projects that preserve affordable units that are at risk due to expiring project-based Section 8 subsidy.
- Preservation of tax credit projects with expiring affordability restrictions, if rents are currently below-market and buildings serve a significant number of very low-income (0-50% of MI) households.

Needs rationale:

- The Washington Low Income Housing Alliance estimates that 984 affordable units in 19 buildings in Seattle are at risk of being lost by 2006 due to expiring project-based Section 8 subsidies.
- In addition, a list provided by the Washington State Housing Finance Commission in January 2004 showed 19 other low-income housing tax credit buildings (1,023 units) in Seattle with affordability restrictions that will be expiring by 2006. Some of this affordable housing stock may be at risk of converting to market-rate.

PRIORITY: HOUSING THAT HELPS ADDRESS SPECIFIED COMMUNITY DEVELOPMENT OBJECTIVES

Particular interest:

- Affordable workforce housing (generally housing affordable to households with incomes 31-80% of MI) that furthers revitalization or other community development goals in Housing Investment Areas. Strategies and priorities for Housing Investment Areas are identified in the Levy Administrative & Financial Plan, Consolidated Plan, and neighborhood plans.
- New construction of affordable housing in urban centers, especially those lagging in meeting their residential growth targets as identified in the Comprehensive Plan or those where affordable housing is needed to help mitigate displacement of low-income people due to gentrification.
 - Transit-oriented development projects that are generally located within ½ mile of a light rail station or major transit center.

Needs rationale:

- Mixed-use and multifamily development projects are needed in certain Seattle neighborhoods, particularly ones where the private market is not developing due to economic distress or other factors. Such projects fulfill both housing and commercial needs, and higher-density populations and pedestrian- or transit-friendly orientation meet goals of smart growth, the Growth Management Act, and neighborhood plans.
- The market in some Seattle neighborhoods is not mature enough to support desired mixed-use and residential development without public subsidies. Non-profit developers often are relied on to lead community development and revitalization in distressed areas.
- Housing is integrally connected to targeted community development strategies, as well as to wealth creation efforts for economically disadvantaged families and individuals. Affordable housing not only benefits residents, but also contributes to security and stability of neighborhoods. As neighborhoods revitalize, continued provision of affordable housing helps enable existing residents to continue to live there.
- Locating affordable housing near employment centers and public transit reduces household transportation costs and increases transportation choices.

Affordability Policies

The policies described in this section apply to capital funds awarded by OH for production or rehabilitation to provide or preserve affordable rental housing, including HOME and CDBG funds, except that these policies do not apply to Housing Levy funds, Sound Families funds, programs where the City leverages other funds through credit enhancement strategies, other City fund sources for which specific affordability guidelines are adopted by City legislation, mitigation funds that are used to provide affordable rental housing in accordance with the findings of a nexus study, or funds used for bridge loans (but amounts repaid on bridge loans and bridge loans converted to long-term financing are subject to these policies unless the fund source for the bridge loan was otherwise exempt). Affordability policies for Levy funds are provided in the Levy Administrative & Financial Plan.

The following rental affordability policies apply to permanent capital funding appropriated for use in a biennial budget cycle (e.g. 2005-2006):

- At least 50% of rental program funds shall be used for units with affordable rents for extremely low-income households;
- Remaining rental program funds shall be used for units with affordable rents for very low-income households, except:
 - ✓ Funds may be used to produce or preserve units with affordable rents for low-income households, that are not affordable to very low-income households, in the Central Area, Rainier Valley/Beacon Hill, Delridge/Westwood, South Park, Pioneer Square, and International District Housing Investment Areas as described in Appendix G of this Consolidated Plan;
 - ✓ Funds may be used to produce or preserve units with affordable rents for low-income households, that are not affordable to very low-income households, within half a mile of a light rail station or major transit center located outside of Downtown;
- Funds may be used to acquire or rehabilitate an existing, occupied project and subsidize some units affordable to low-income households, but occupied by over-income households with incomes up to 80% of median income. Such funds will be considered to have been used for housing affordable to extremely low-income households or very low-income households, respectively, to the extent the units are required to be occupied solely by, and affordable to, such households within 2 years of the date of the loan agreement. In such case, the initial regulatory term will be established for a 52-year period. By the end of the initial 2-year period after the date of the loan agreement, over-income households need to be relocated or the Borrower will be in default and required to return a prorata portion of the OH funding.

Rent Standards and Eligible Households

Except as provided in the *Affordability Policies* above, program funds are to be used only for units that are occupied or will be initially occupied by eligible households at affordable rents for the respective income categories.

For the purposes of the Consolidated Plan, “affordable rent” for low-income households means annual rent not exceeding 30% of 80% of median income; affordable rent for very low-income households means an annual rent not exceeding 30% of 50% of median income; and affordable rent for extremely low-income households means an annual rent not exceeding 30% of 30% of median income. For the purposes of determining whether a unit bears affordable rent, the term “rent” includes the rent paid by the tenant plus an allowance for utilities paid by the tenant.

Tenant households with income above the applicable eligibility levels are called “over-income households.” City funding is not available for units that are occupied at the time of funding by residents with household income greater than 80% of median income. The City may require as a funding condition that units occupied by such households, although not City-funded, become rent-regulated under a City regulatory agreement when occupancy changes.

Siting Policy

Unless the Director waives the siting policy as stated below, OH will not fund, or certify as consistent with this Consolidated Plan, a project if the proposed number of subsidized rental housing units for extremely low-income households would exceed the capacity for additional subsidized rental housing units for extremely low-income households in the Census block group where the proposed project is located.

Capacity for additional subsidized rental housing units for extremely low-income households is defined as:

- The total number of housing units in the Census block group according to the latest information as updated annually by the Department of Planning and Development (DPD), multiplied by 20%;
- Less the number of existing subsidized rental housing units for extremely low-income households in the Census block group according to the latest report available from OH (OH's inventory of subsidized rental housing in Seattle includes projects with capital subsidies from public agencies; i.e. City-funded projects as well as non-City funded projects as reported annually by county, state and federal agencies).

The siting policy does not apply to projects located within Downtown because of its special nature as a high priority area for affordable housing investment. A map of Downtown is included in Appendix G of this Consolidated Plan.

The OH Director may grant a waiver of the siting policy if one or more of the following criteria are met:

- The proposed project is a "neighborhood-supported project".

To be considered a neighborhood-supported project, OH will need to determine that the proposed project is supported by a reasonable number of immediate neighbors and/or affected neighborhood organizations. Such determination will be based on review of results of the community notification process as described in the *Good Neighborhood Guidelines* section of this Appendix H, including notification of immediate neighbors, consultation with established community groups, public meetings, and/or other means of community notification as OH deems appropriate. In accordance with national, state and local fair housing laws, OH disregards, in evaluating neighborhood support for the project, any opposition that appears to be based on characteristics of future residents of a project if discrimination based on such characteristics is prohibited.

- Additional market-rate housing development is planned in the Census block group, and OH determines that the proposed project would not result in more than 20% of total housing units in the block group being subsidized rental housing for extremely low-income households, based on an adjusted estimate of total housing units that includes units for which building permits have been issued (based on the Department of Planning & Development's latest annual report of building permit data) or other

such documentation as deemed appropriate by OH.

- OH determines that natural or manmade barriers (e.g. a bluff, waterway, or freeway) physically separate the proposed project from existing concentrations of subsidized rental housing for extremely low-income households.

Bridge Loan Policy

OH bridge loans are intended to provide short-term funding to permit housing projects to proceed in advance of the availability of permanent project funding. Bridge loan funding is available to enable property acquisition, construction or rehabilitation to proceed when the borrower can provide assurance that permanent funding will be available from other sources on acceptable terms within a reasonable time period to repay the bridge loan. Given reasonable assurance of repayment, bridge loans may also be made for acquiring at-risk Section 8 preservation projects or to assist in the acquisition of sites or buildings in designated Housing Investment Areas or in certain neighborhood areas in order to implement neighborhood plan-identified strategies advocated by community organizations. Applications for bridge loans may be made outside of OH's NOFA process.

Bridge loans for affordable housing are made utilizing any OH-administered fund sources determined to be appropriate by the OH Director. The maximum term of a bridge loan shall be two years. OH shall require payment of a reasonable rate of interest, which shall be no less than 3% simple interest. In addition, a loan fee may be charged for providing the bridge loan. A bridge loan may be made as a component of a larger loan that includes long-term financing.

OH may allow all or a portion of a bridge loan to be converted to a permanent loan subject to maximum subsidy limits for all OH and other City agency administered or allocated capital funds that may be combined to provide permanent gap financing for the housing portion of a project, pursuant to the Levy Administrative & Financial Plan, and availability of permanent fund sources. Conversion to a long-term loan may be conditioned upon affordability restrictions for additional units.

Homebuyer Assistance Program Policies

The policies that follow apply to City Homebuyer Assistance Program funds, including Levy, American Dream Down payment Initiative (ADDI), and other HOME funds. Additional policies pertaining to Housing Levy Homebuyer Assistance Program funds are provided in the Levy Administrative & Financial Plan.

Eligible Use of Funds

- HOME funds, including ADDI funds, may be used for home purchase assistance and development of affordable units to be sold to eligible low-income households.
- All types of for-sale units are eligible, including single-family residences, condominiums, limited equity cooperatives, co-housing, land trusts, and homes on leased land.

- The maximum home purchase price is the same as the FHA mortgage limit, as adjusted annually.
- Borrowers must purchase a home in Seattle and use it as their principal residence. Purchases of investment properties are not allowed under this program. Homes with an accessory dwelling unit are eligible, provided that the borrower is an owner-occupant of the home. A lease-to-own contract may be considered a purchase.

Homebuyer Eligibility

- Borrowers must have household incomes at or below 80% of median income.
- Each borrower or the borrower's family must be a "first-time homebuyer", which is defined as any individual and his or her spouse who have not owned a home during the three-year period prior to purchase of a home using Homebuyer Assistance Program funds. Any individual who is a displaced homemaker may not be excluded because that individual, while a homemaker, previously owned a home with his or her former spouse. Any individual who is a single parent may not be excluded because that individual previously owned a home with his or her spouse. Definitions of "displaced homemaker" and "single-parent" are per 24 CFR 92.2. OH may narrow the definition of "first-time homebuyers" in order to ensure equitable treatment between married and non-married persons, subject to federal requirements in the case of loans using ADDI funds. OH also may, for the same purpose, expand the "single parent" eligibility category with respect to loans not using ADDI funds.
- Borrowers must successfully complete a pre-purchase homebuyer education program approved by OH.
- Borrowers must be able to financially qualify for a first mortgage approved by OH.
- In programs administered directly by the City, qualifying income will be defined using the IRS definition of adjusted gross income for reporting on IRS Form 1040, subject to any adjustments or exclusions required by federal law or regulations. House Key Plus Seattle, a program administered for the City by the Washington State Housing Finance Commission, will use the Section 8 Program definition for gross annual income.

Lending Guidelines

- Homebuyer Assistance Program loans will be limited to the amount needed for each borrower, providing gap financing for low-income borrowers unable to qualify for sufficient private financing to purchase a home.
- Borrowers may receive Homebuyer Assistance Program loans up to a maximum of \$45,000 per assisted household, including both Levy funds and other City-administered funds, unless the maximum is increased in accordance with provisions below. Homebuyer Assistance Program loans include loans to homebuyers and loans to developers or prior owners assumed by, or otherwise passed through to, homebuyers. Homebuyer Assistance Program loans may be used for down payments, closing costs, and/or first mortgage loan interest rate write down, as approved by OH. City-funded assistance for any improvements, if committed or provided in connection with a home purchase, is considered to be assistance for the purchase and, together with the

Homebuyer Assistance Program loan, cannot exceed the applicable loan limit except for assistance provided to a nonprofit developer for development costs associated with a land trust project.

- In order that single-source down payment assistance may be provided for the convenience of borrowers, in lieu of loans from Levy or other City funds and non-City sources to the same borrower, OH may allow a higher amount of City-funded home purchase assistance, not to exceed \$70,000, for a borrower that receives a loan made as part of a project or lending program for which a developer or nonprofit lending agency has obtained commitments of non-City homebuyer subsidy funds, but only if all of the following conditions are satisfied:
 - (1) Non-City subsidy funds provided to such project or program must be used for deferred down payment assistance loans or other assistance that increases the ability of low-income households to purchase a home.
 - (2) The average amount of City-administered home purchase assistance for all low-income homebuyers participating in the project or lending program, including buyers who do not receive any City-administered funds, may not exceed \$45,000.
- OH will have the authority to revise the maximum loan amount (\$45,000) by up to \$10,000 for the Homebuyer Assistance Program if increases in interest rates or sales prices, or lack of other homebuyer subsidies, create difficulty in qualifying low-income households as homebuyers in Seattle. The OH Director must provide five working days notice to the Mayor and City Council if the loan amount is to be increased. The final decision of the OH Director will be made with responses from the Mayor and City Council taken into account. Council approval is required if the OH Director wants to increase the maximum loan amount by more than \$10,000.
- Homebuyer Assistance Program loans using HOME funds, including ADDI funds, and using the recapture option will be structured with repayment obligations, using a promissory note and deed of trust approved by OH.
- Loans will generally be 30-year amortizing loans, with payments deferred for the first 5 to 8 years. Loans may include provisions for payment of a share of appreciation. Any share of appreciation payable may be reduced and/or eliminated over time. Loan repayment terms shall specify the interest rate, which generally shall not exceed 3% simple interest; loan term; period of payment deferral; and any contingent interest or share of appreciation.
- Borrowers must provide a minimum of \$2,500 or 2% of the purchase price, whichever is greater, of their own funds toward the home purchase as a condition to any Homebuyer Assistance Program loan. Borrowers may receive gifts of funds towards their portion of the down payment; however, gifts must not exceed 25% of the borrower's total down payment requirement.
- Borrowers may use proceeds from the sale of assets towards their down payment requirement; e.g., selling a car, cashing in retirement accounts, etc. Sources of cash must be verified.

- The terms of each loan made to a homebuyer shall provide that the entire principal balance is due upon sale or refinancing of the home, at the lender's option, to the extent permitted by applicable law. However, OH may permit assumption of the loan by another eligible borrower in lieu of repayment.
- Borrowers may use any first mortgage product approved by OH, including FHA and Fannie Mae products, and portfolio loans. FHA 203(k) purchase-rehabilitation loans are also eligible, provided the rehabilitation amount exceeds \$5,000.

Recapture and Resale Guidelines

The following provisions apply to HOME, including ADDI, funds used for the Homebuyer Assistance Program.

In conformity with HUD rules, OH will impose either resale or recapture requirements, at its option. The recapture or resale options may be managed by the City, a subrecipient, or other contracting party at OH's option. The recapture or resale options cannot be used together in the same loan.

- For HOME funds that are allocated for eligible development costs and programs operated by nonprofit housing agencies, the resale option may be used. In such cases, the agreement with the developer or nonprofit housing agency will provide for long-term affordability of the housing. Requirements include:
 - ✓ The initial sale and any resale of subsidized units during the applicable affordability period must be made to low-income households.
 - ✓ The resale price during the applicable affordability period is limited to maintain an affordable purchase price for subsequent low-income homebuyers. The resale formula must also provide for a fair return to the seller. The resale price and return formula must be approved in advance by OH and HUD.
 - ✓ New purchaser income and resale price are restricted during the affordability period via a recorded deed restriction or land covenant, or there is a purchase option or right of first refusal in favor of the City or a City-approved entity at a restricted price, or both methods are used.
- For HOME funds allocated to lending programs, the recapture option may be used. The City or a City-approved entity will have the right to require full repayment of the HOME subsidy, including ADDI funds, when resale occurs, regardless of the applicable affordability period, to the full extent permitted by law.

Subordination Policy

Many program borrowers refinance their homes or borrow against the value of their homes, and request that their Homebuyer Assistance Program loan's lien position be subordinated to another loan. In some cases agreeing to these subordination requests could greatly increase the risk that taxpayer funds may not be paid back. The current policy of OH is that subordination requests will be evaluated by the Homebuyer Programs Manager, and will be considered only when all of the following conditions are met:

- The total proposed loan to value ratio does not exceed 90% of the appraised or assessed value, whichever is less. The new loan does not have a balloon payment before the Homebuyer Assistance Program loan maturity date.
- The homeowner needs to refinance only the existing first mortgage indebtedness against the property to take advantage of better rates, terms, and payments, and is not incurring additional indebtedness against the property, except for one or more of the following:
 - ✓ Refinancing fees;
 - ✓ Payments needed in order to save the house from a foreclosure;
 - ✓ Costs of an urgent health and safety repair;
 - ✓ Medical, funeral, or other emergency expenses of the homeowner or immediate family that are determined to be allowable by the Homeownership Program Manager.

Targeted Outreach

OH has worked with the Seattle Housing Authority, local lenders, and the Washington State Housing Finance Commission (WSHFC) to access City down payment assistance funds for residents and tenants of public housing and manufactured housing. The Seattle Housing Authority, through its Family Self-Sufficiency and Section 8 Homeownership programs, is marketing to residents and tenants of public housing and identifying eligible families for homeownership programs. The City will work with the WSHFC and participating lenders to identify tenants of manufactured housing in the City and mail program brochures to them. The City has made Levy, ADDI, and other HOME funds available for down payment assistance. WSHFC is making below-market interest rate first mortgages available to eligible borrowers. Private mortgage lenders are originating and closing the mortgage loans.

Homebuyer Education and Counseling

All homebuyers using City down payment assistance funds are required to attend homebuyer education. The City funds the HomeSight homebuyer education and counseling program with CDBG funds. In addition, the Seattle Housing Authority (SHA) has contracted with the Urban League and the International District Housing Alliance to provide homebuyer education and counseling to residents and tenants of public housing who are planning to buy homes. SHA staff screen and determine the suitability of residents and tenants of public housing for participation in homebuyer programs.

SHA and King County Housing Authority (KCHA) received ROSS Homeownership Counseling funding in a joint application in FY 2002. SHA and KCHA procured the services of an ethnically-diverse homeownership counseling and referral consortium. The consortium of the Urban League, El Centro de la Raza and International District Housing Alliance has begun culturally-specific outreach to qualified public housing tenants in Family Self-Sufficiency or similar programs to identify possible Section 8 homeownership recipients. The consortium also recruits and enrolls eligible households in homebuyer education workshops, works with participants on credit issues, prequalifies and connects them with lending programs and assists with housing search and other supportive services.

General Policies for Capital Funding

The following is a description of policies presently applied by OH in funding affordable rental housing and homeownership development capital projects.

Good Neighbor Guidelines

Policy: Prior to application for OH funding (permanent or bridge) for production or preservation of affordable rental housing or development of housing for low-income homebuyers, applicants are required to prepare and begin implementing a “good neighbor” plan, including neighborhood notification activities.

Principles: A successful notification effort leads to open, ongoing communication between developers and neighbors. This requires cooperation by developers, the City, and neighborhood residents. A positive, open relationship between housing developers and neighbors can prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings, and provide a rational, dependable means of ironing out differences.

It is the policy of the City of Seattle that OH funding of affordable housing not be refused solely on the basis of concerns expressed by neighbors; the City supports and is committed to promoting diversity in Seattle neighborhoods. A housing project should not be excluded from a neighborhood solely based on any of the following characteristics of the persons who will live there: age, ancestry, color, creed, disability, gender identity, marital status, national origin, parental status, political ideology, race, religion, sex, sexual orientation, possession or use of a Section 8 certificate, or use of a guide or service animal by a person with a disability.

The City supports affordable housing projects that will preserve and enhance the strengths of the Seattle’s neighborhoods. Housing developers and neighbors should keep OH informed of any issues or concerns throughout the community notification process and operation of the project.

General guidelines for developers, acknowledging that what good neighbor plan will be appropriate may vary:

Prior to Site Control:

1. Consult with OH prior to finalizing the site selection process. OH will help identify developers of other affordable housing in the neighborhood(s) being considered and suggest neighborhood organizations to contact.
2. Contact other affordable housing owners to learn about a neighborhood’s historical and current housing- and development-related concerns.

Upon Site Control, Prior to Application for City Funding:

3. Notify neighbors within at least 300 feet of the site using a written notice, letter or flyer. Consider including basic information about the developer agency, proposed project, estimated schedule, contact person, and neighborhood organizations that have also been notified about the project in the written communication.
4. Contact neighborhood organizations with updated information about project, including final site selection, schedule, and proposal for ongoing communication with the

neighborhood. The ongoing communication plan may include presentation(s) at regularly scheduled neighborhood organization meeting(s), invitation to a meeting hosted by the housing developer, formation of an advisory committee, and/or regular project updates in neighborhood organization publications or posted at local libraries, community centers, etc.

5. Information the housing developer should consider sharing at meetings includes the following:
 - Experience as a housing developer and manager; provide names and addresses of other affordable housing projects.
 - Description of targeted population of the housing, to the extent that it does not compromise the safety, confidentiality or well-being of the residents; information about property management and support services, if applicable.
 - Mechanisms for communication between the housing developer and neighbors, including 24-hour contact person and number if possible.
 - Estimated schedule for construction and completion.
 - Opportunities for neighbors to provide input on the project (i.e. names of interested neighborhood organizations and how to contact them; community advisory committee; etc.).
6. Maintain communication with immediate neighbors and neighborhood organizations throughout the project's design and construction phase.

Once the Project is Operational:

7. Invite neighborhood organizations and neighbors to project open houses.
8. Establish ongoing communication with neighborhood organizations and neighboring residents and businesses. Promptly address emerging issues and share successes.
9. Keep the City apprised of any issues.

Guidelines for Neighbors:

1. Encourage housing developers and residents to be active members of your community. Invite them to neighborhood meetings and events. Build foundation for long-lasting, positive relationship.
2. Communicate concerns about design, operation and management of a project. Work collaboratively with housing developers and/or residents to identify ways to address those concerns.
3. Neighbors may want to consider negotiating a good neighbor agreement with the housing developer if it turns out that clarity of understanding is difficult to reach verbally.
4. Make sure housing developer and/or residents know what is working well.

Relocation, Displacement, and Real Property Acquisition

OH discourages affordable rental housing and homebuyer proposals that will result in permanent displacement of households. Projects should be designed to minimize displacement of households. Any temporary relocation or permanent displacement of households must comply with all applicable provisions of (a) the City's Household Relocation Assistance Ordinance (TRAO), (b) the City's Just Cause Eviction Ordinance; and (c) for projects using federal funds, the City's Residential Anti-Displacement and Relocation Assistance Plan

(RARAP), the federal Uniform Relocation Act (URA), and other relocation regulations and handbooks applicable to the particular funding program.

These policies, laws and regulations contain, among other requirements, different timelines under which households must be given various notices and provide for financial assistance under certain circumstances. More information about the TRAO is available from the Department of Planning & Development's Property Owner and Households Assistance Unit, located on the 19th floor of the Seattle Municipal Tower, 700 Fifth Ave., phone number 684-7979. In addition, consultation with OH staff prior to submission of applications for funding is required for any applicant whose project will involve any temporary or permanent relocation activities.

Affirmative Marketing

Borrowers must comply with the City's Fair Contracting Practices Ordinance. Borrowers and their general contractors shall be encouraged to take actions, consistent with that ordinance, that would increase opportunities for women and minority business enterprises (WMBEs). A combined WMBE aspirational goal of 14% of the total construction and other contracted services contracts shall apply for all affordable rental housing capital projects funded by OH. OH shall encourage additional efforts to increase WMBE participation including mentoring programs and participation in apprenticeship and other training opportunities.

HomeWise Program Policies

OH's HomeWise Program provides for low-interest rehabilitation loans and weatherization grants primarily for the purpose of improving the health, safety, and energy efficiency of housing for low-income households. Income limits for rehabilitation loans vary by fund source, but in no case exceed 80% of MI. The maximum individual rehab loan is \$45,000, with a waiver by the OH Director allowing up to \$10,000 additional (for an overall total of \$55,000) due to demonstrated health and safety needs. Interest rates generally are set at 3% simple interest. Depending on the circumstances of the individual household, the loan may be amortized or deferred. The program gives priority to loans for improving health and safety, and for curing code violations.

Weatherization grants are made for energy efficiency-related repairs in owner-occupied single-family homes and eligible rental properties. The income limits for such grants vary by both fund source and tenure of the household (i.e. owner, renter).